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| Section 2 | Business overview | 9 |
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Macro overview
Non-oil activity strengthening

Oil revenues to increase with higher oil prices, average oil production moderately weaker in 4M2018

Real GDP growth to strengthen gradually in 2018

Variations in GDP growth by Emirate

Value of project awards strong in 2017 + Q1’18

Abu Dhabi and Dubai saw solid awards in Q1’18

Source: Bloomberg, ADCB estimates

Source: Bloomberg

Source: UAE National Bureau of Statistics, ADCB estimates

Source: Statistics Centre Abu Dhabi, Dubai Statistics Centre

Source: Meed projects, ADCB estimates

Source: Meed projects, ADCB estimates
External sectors supporting recovery

Pickup in global trade supporting Jebel Ali volumes

The weakening of the USD positive for UAE’s external competiveness

Strong growth in tourist numbers, supported by visa liberalization and weaker USD

Source: Abu Dhabi Tourism and Culture Authority, ADCB calculations

Source: Dubai Department of Tourism and Commerce Marketing, ADCB calculations
Banking sector overview

Banking sector liquidity remains comfortable

Deposit growth stronger than credit growth

- Loan-to-Deposit Ratio (LHA)
- Credit Growth, y-o-y (RHA)
- Deposit Growth, y-o-y (RHA)

Eibor rising with strengthening in Libor

- US FFTR (upper bound)
- UAE Central Bank Repo Rate
- 3M EIBOR
- US 3M LIBOR

Government and GREs were net depositors in 2017 + Q1’18

- GRE Net Deposits
- Government Net Deposits
- Total Net Deposits

Inflation accelerates in 2018 with VAT introduction

% change YoY

- UAE
- Abu Dhabi
- Dubai

Economic indicators

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Brent Crude Spot Price, USD p/b</td>
<td>108.8</td>
<td>99.5</td>
<td>52.3</td>
<td>43.7</td>
<td>54.7</td>
<td>64.8</td>
</tr>
<tr>
<td>Average Oil Production, mm bpd</td>
<td>2.76</td>
<td>2.77</td>
<td>2.9</td>
<td>2.96</td>
<td>2.91</td>
<td>2.87</td>
</tr>
<tr>
<td>GDP at Current Market Prices, USD bn</td>
<td>390.7</td>
<td>403.5</td>
<td>358.2</td>
<td>349</td>
<td>369.0</td>
<td>398.8</td>
</tr>
<tr>
<td>Real GDP Growth Rate, %</td>
<td>5.8</td>
<td>3.3</td>
<td>3.8</td>
<td>3.2</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>Real Non-Oil GDP Growth Rate, %</td>
<td>7</td>
<td>4.6</td>
<td>3.2</td>
<td>2.7</td>
<td>2.6</td>
<td>2.9</td>
</tr>
<tr>
<td>CPI Inflation, % average</td>
<td>1.1</td>
<td>2.3</td>
<td>4.1</td>
<td>1.7</td>
<td>2.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Budget Balance, USD bn</td>
<td>40.4</td>
<td>7.7</td>
<td>(12.1)</td>
<td>(15)</td>
<td>(5)</td>
<td>3.4</td>
</tr>
<tr>
<td>Budget Balance, % of GDP</td>
<td>10.3</td>
<td>1.9</td>
<td>(3.4)</td>
<td>(4.3)</td>
<td>(1.4)</td>
<td>0.9</td>
</tr>
<tr>
<td>Trade Balance, USD billion</td>
<td>141</td>
<td>108.4</td>
<td>76.6</td>
<td>65</td>
<td>76.1</td>
<td>86.4</td>
</tr>
<tr>
<td>Current Account, % of GDP</td>
<td>19.0</td>
<td>13.3</td>
<td>4.7</td>
<td>2.4</td>
<td>4.3</td>
<td>5.6</td>
</tr>
<tr>
<td>Growth in Credit to the Private Sector, %</td>
<td>4.2</td>
<td>8.0</td>
<td>7.7</td>
<td>6.0</td>
<td>1.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Inclusive of VAT impact

Source: UAE National Bureau of Statistics, UAE Central Bank, IMF, ADCB estimates
UAE property overview

Abu Dhabi contraction in rental and sale prices

**% change y-o-y**

**Abu Dhabi sale prices**

- All Residential
- Apartment
- Villa

**% change y-o-y**

**Abu Dhabi rental prices**

- All Residential
- Apartment
- Villa

Source: Reidin, ADCB calculations

Falls in Dubai property sale prices more in 2017, than drop in rental prices

**% change y-o-y**

**Dubai sale prices**

- All Residential
- Apartment
- Villa

**% change y-o-y**

**Dubai rental prices**

- All Residential
- Apartment
- Villa

Source: Reidin, ADCB calculations
Business overview
**ADCB franchise**

**Ownership structure**

- **62.52% owned by ADIC**
- Free float – Foreign investors **14.93%**
- Free float – Domestic investors **22.55%**

**Market cap:** AED 34 billion (31 March 2018)

**Market share by loans and deposits**

- **11.0%** Loans & advances (net)*
- **10.0%** Customer deposits

1. *Source: UAE Central Bank as at 31 March 2018

   - Total loans and advances, net of impairment allowances

**Ratings re-affirmed in 2017**

- **S&P**
  - A/A-1/Stable
- **Fitch**
  - A+/F1/Stable

**Branch network**

- **Domestic branches**
  - Abu Dhabi: 25
  - Dubai: 13
  - Others: 11
  - Total: 49
- **ATMs:** 358

**International presence:**

- **Representative office in London and a Jersey Branch**
- **2 branches in India**
- **Representative office in Singapore**

**ADCB**

![ADCB logo]

**Branch network**

1. As at 31 March 2018
2. Excludes 1 pay office
Core strengths

Highlights

- Remain UAE centric and well positioned to benefit from the long-term growth prospects of the UAE economy

- Supportive principal shareholder, Abu Dhabi Investment Council owns 62.52% of the issued share capital

- Strong domestic franchise, with a well known brand offering world class products and services

- Well capitalised and liquid; solid foundation to comply with the evolving regulatory requirements

- Strong risk management culture

- Experienced and stable management team with a wealth of experience in international and regional institutions
Continued investment in digitisation to enhance customer service and to drive greater efficiencies

Customers transacting through Mobile Banking (MB) continue to exceed Internet Banking (IB) in Q1’18

Substantial increase in self-service rates in Wholesale Banking

Highlights

- Upgrading of core banking platform gives the Bank a solid foundation for further development of digital solutions to enhance customer experience
- 96% of retail financial transactions completed electronically
- Digital transaction volumes grew by 29% over Q1’17 fueled by 15% growth in digital users year on year
- Active migration of Wholesale Banking from physical to electronic banking, in just two years self service rates have doubled from 40% to over 80%
- A uBank center was opened in City Walk Dubai in 2018, taking the total number to 3 in line with our strategy of promoting digital and paperless banking

Digital users outpaced total customer growth
User growth (Q1’17 vs. Q1’18)

Digital users outpaced total customer growth
User growth (Q1’17 vs. Q1’18)

Transaction split

Note (*) Calculation methodology changed in Dec’17, removed ~13K branch transactions compared to baseline
Leading Through Customer Centricity

Award winning cash management platform

Improving Net Promoter Score (NPS)

NPS is conducted annually to measure overall customer experience

According to leading consultants, an increase of five point’s year on year is widely regarded as a significant achievement

<table>
<thead>
<tr>
<th>FFL NPS</th>
<th>Change in NPS Q1’17 vs Q1’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card experience</td>
<td>+12</td>
</tr>
<tr>
<td>Branch experience</td>
<td>+11</td>
</tr>
<tr>
<td>Corporate Loans</td>
<td>+15</td>
</tr>
<tr>
<td>Corporate Relationship Manager</td>
<td>+13</td>
</tr>
<tr>
<td>Commercial Loans</td>
<td>+14</td>
</tr>
<tr>
<td>Corporate Service Requests</td>
<td>+6</td>
</tr>
<tr>
<td>Customer Care</td>
<td>+6</td>
</tr>
</tbody>
</table>

Strong brand recognition

Recognized Number 1 “Financial Services Brand” in the UAE

Source: MBLM Brand Intimacy Report 2018

Brands Quotient

- ADCB
  - 40.5

In 2017 based on client feedback, Euromoney named ADCB a ‘Five Star Cash Manager’ and ‘Best Bank for Transaction Services” in the Middle East

Our cash management platform helps us to drive strong growth in CASA deposits

ADCB Securities featured as the Retail Broker of the month at Nasdaq Tower at Times Square, New York

ADCB

13 | Q1’18 Investor presentation
### 1. UAE- Centric

Generate sustainable profit growth through a UAE centric approach

### 2. Sustainable growth

Sustainability through liability growth and funding diversification

### 3. Customer centric

Superior customer experience through service excellence

### 4. Risk-aware

Effective risk taking and management in line with a predefined risk appetite

### 5. Digitisation

Exploitation of digital for growth and efficiency - leveraging data analytics

---

Attracting and rewarding the best talent with incentives aligned with strategic objectives

Agile organisation and innovative culture
Financial highlights
Balance sheet highlights

<table>
<thead>
<tr>
<th>Balance sheet (AED million)</th>
<th>Mar’18</th>
<th>Dec’17</th>
<th>Mar’17</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>266,649</td>
<td>265,003</td>
<td>263,672</td>
<td>1</td>
</tr>
<tr>
<td>Net loans and advances to customers</td>
<td>162,824</td>
<td>163,282</td>
<td>159,802</td>
<td>2</td>
</tr>
<tr>
<td>Investment securities</td>
<td>47,499</td>
<td>49,192</td>
<td>40,958</td>
<td>(3)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>166,881</td>
<td>163,078</td>
<td>162,362</td>
<td>3</td>
</tr>
<tr>
<td>Borrowings (including ECP)</td>
<td>44,650</td>
<td>43,465</td>
<td>46,361</td>
<td>(4)</td>
</tr>
<tr>
<td>Total equity</td>
<td>29,712</td>
<td>32,445</td>
<td>29,539</td>
<td>(8)</td>
</tr>
</tbody>
</table>

Figures may not add up due to rounding differences

Highlights (YTD comparison)

- Total assets grew 1% to AED 267 billion, deposits and balances due from banks increased by AED 6.3 billion to AED 18 billion, whilst investment securities decreased by AED 1.7 billion to AED 47 billion, mainly driven by a decrease in government bonds
- Net loans to customers remained unchanged at AED 163 billion on account of significant repayments, despite healthy volumes in both Consumer and Wholesale Banking
- Customer deposits increased by 2% to AED 167 billion, CASA/total customer deposits maintained at 44%
- Loan to deposit ratio improved to 97.6% from 100.1% as at 31 December 2017
- Total equity of AED 30 billion was 8% lower, mainly on account of a dividend pay-out of AED 2.2 billion and an IFRS 9 impact of AED 1.36 billion
Income statement highlights

**Highlights (Q1'18 vs. Q1'17)**

- Net profit increased 9% to AED 1.207 billion, driven by higher margins, a well managed funding mix and a disciplined cost base.

- Total net interest income and Islamic financing income increased 12% to AED 1.828 billion, on account of higher benchmark rates, increasing volumes and higher interest in suspense reversals.

- Non-interest income declined 12% to AED 526 million, due to lower trading income and lower net fees and commission income.

- Operating expenses increased 4% to AED 770 million, cost to income ratio of 32.7% compared to 33.2% for Q1’17.

- Net impairment allowance of AED 380 million improved 2%, whilst gross impairment allowance of AED 431 million improved 15%, on account of higher releases recorded in the current quarter.

---

### Income statement (AED million)

|                                | Q1'18 | Q4'17 | Q1'17 | Change %
|--------------------------------|-------|-------|-------|---------
| Total net interest and Islamic financing income | 1,828 | 1,718 | 1,631 | 6/QoQ, 12/YoY |
| Non - interest income          | 526   | 592   | 598   | (11)/QoQ, (12)/YoY |
| Operating income               | 2,354 | 2,311 | 2,229 | 2/QoQ, 6/YoY |
| Operating expenses             | (770) | (800) | (740) | (4)/QoQ, (4)/YoY |
| Operating profit before impairment allowance | 1,584 | 1,511 | 1,489 | 5/QoQ, 6/YoY |
| Impairment allowances          | (380) | (441) | (386) | (14)/QoQ, (2)/YoY |
| Net profit for the period      | 1,207 | 1,072 | 1,105 | 13/QoQ, 9/YoY |

Figures may not add up due to rounding differences.

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*Q1’18 Investor presentation*
Stable key performance indicators and market share

Net profit (AED million)

- Q1'17: 1,105
- Q4'17: 1,072
- Q1'18: 1,207

Earnings per share (AED)

- Q1'17: 0.20
- Q4'17: 0.21
- Q1'18: 0.22

Return on average equity (%)

- Q1'17: 16.1%
- Q4'17: 15.2%
- Q1'18: 16.8%

Return on average assets (%)

- Q1'17: 1.60%
- Q4'17: 1.62%
- Q1'18: 1.71%

Q1’18 average equity: AED 27.0 billion
Q1’17 average equity: AED 25.9 billion
+4%
AED 1.1 billion

Q1’18 average assets: AED 265.7 billion
Q1’17 average assets: AED 260.9 billion
+2%
AED 4.8 billion

Numbers may not add up due to rounding
Balance sheet metrics
Stable loan growth on account of significant repayments
De-risking of the unsecured Consumer loan portfolio

**Highlights (YTD Comparison)**

- Net loans to customers remained unchanged at AED 163 billion. YTD UAE banking industry average growth was 1.05%.
- Gross loans increased by 0.4% (AED 705 million) to AED 170 billion.
- WBG loan growth led by the Corporate segment.
- CBG loan growth focused on growing the secured loan book, with a re-focus on the UAE National segment, whilst de-risking of the unsecured loan portfolio continues.

**Resilient balance sheet**
Composition of assets

Total assets: AED 266,649 million

Net loans and advances: 61%

- Net loans: AED 163,282
- Net loans in Mar'18: AED 162,824
  - WBG: -0.3%
  - CBG: -0.5%

**Portfolio exposure geared to Abu Dhabi and Dubai**

- Abu Dhabi: 56%
- Dubai: 30%
- Outside UAE: 6%
- Other Emirates: 8%

**Well diversified by business segment, with focus on Retail, SME and MCD**

- CBG: 44%
- WBG: 56%
- SME: Small medium enterprise
- MCD: Mid-corporate Division

**Loans well-diversified by economic sector**

- Personal: 23%
- Real estate investment & hospitality: 36%
- Government & PSE: 20%
- Others: 9%
- Trading: 4%
- Financial institutions: 8%

---

¹ Other assets include: Derivative financial instruments, Investments in associate, Investment properties, Property and equipment (net), Intangible assets, Reverse repo placements and Trading securities and Other assets

² Others include: Agriculture, Energy, Transport, Manufacturing, Services and others
Customer deposit growth outpaced loan growth, resulting in an improved LTD ratio
Continued focus on gathering CASA deposits

Highlights (YTD Comparison)

- Deposits from customers increased 2.3% to AED 167 billion. YTD UAE banking industry average growth was 2.2%
- Contraction in CBG and WBG deposits due to the retirement of expensive fixed deposits, partially offset by higher CASA deposits and an increase in treasury deposits
- CASA deposits increased by AED 2 billion to AED 73 billion and comprised 43.6% of total customer deposits
- Islamic deposits increased 5% to AED 16 billion, primarily attributable to increase in CASA and Wakala deposits

Customer deposits

<table>
<thead>
<tr>
<th>Dec'17</th>
<th>Mar'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>163,078</td>
<td>166,881</td>
</tr>
</tbody>
</table>

LTD ratio (%)

<table>
<thead>
<tr>
<th>Dec'17</th>
<th>Mar'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1%</td>
<td>97.6%</td>
</tr>
</tbody>
</table>

Islamic deposits

<table>
<thead>
<tr>
<th>Dec'17</th>
<th>March'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,724</td>
<td>15,527</td>
</tr>
</tbody>
</table>

Diversified liability base, with increasing customer deposits

- Total liabilities: AED 236,937 million
- Customer deposits: 70%
  - Euro commercial paper 1%
  - Due to banks 2%
  - Other liabilities 6%
  - Borrowings 18%
  - Derivative financial instruments 3%

Customer deposits well diversified by business segment

- Customer deposits: AED 166,881 million
  - Consumer Banking 30%
  - Wholesale Banking 40%
  - Treasury 30%

Growing CASA balances, and increasing CASA%

- CASA deposits: AED 72,748 million
  - CASA: 43.6%
    - Dec'17: 43.4%
  - Time deposits 56.4%
    - Time deposits include long-term government and Murabaha deposits
**Highlights**

- Investment securities of AED 47,499 million
- Average residual life of the investment securities portfolio is 3.2 years
- 67% invested in the UAE and other GCC countries

**Bond portfolio summary (Excluding equity instruments and mutual funds)**

- 59% of the portfolio is invested in Government securities
- Non Government bond portfolio – 41% of total portfolio
  - Rated A- or better: 62%
  - Rated BBB+ to BBB- : 32%
  - Rated BB+ and below including unrated: 6%

**Investment securities**

![Graph showing investment securities]

- Dec’17: 49,192 AED mn
- March’18: 47,499 AED mn
- Average residual life of the investment securities portfolio is 3.2 years

**Maturity profile**

![Graph showing maturity profile]

- 2018: 7,510 AED mn
- 2019: 4,597 AED mn
- 2020: 6,534 AED mn
- 2021: 15,333 AED mn
- 2022 & after: 13,009 AED mn

* Excluding investments in equity and funds

**By region**

- Domestic 53%
- USA 8%
- Europe 4%
- Asia 18%
- Other GCC Countries 14%
- Rest of the world 3%

**By issuer**

- Government securities 59%
- Bonds Public sector 20%
- Bonds Banks and FI 18%
- Others* 3%

**Total bond portfolio - Credit ratings as at 31 March 2018 (S&P or equivalent of Fitch or Moody’s)**

- UAE Sovereign¹ 25%
- BBB+ & below 8%
- BBB to BBB- 16%
- A+ to A- 24%
- AAA to AA- 27%

**Investment securities, 99% of total portfolio invested in bonds**

- 99% Invested in bonds
- 67% Invested in the UAE and GCC

* Include corporate bonds, equity instruments and mutual funds

¹ UAE Sovereign internal rating mainly in Grade 2 and maps to external rating between AA to A
Wholesale funding and maturity profile
Diversified sources of funding by markets, tenors, currencies and products

Maturity profile as at 31 March 2018

<table>
<thead>
<tr>
<th>Source of funds</th>
<th>AED million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global medium term notes (GMTN)</td>
<td>26,973</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>4,156</td>
</tr>
<tr>
<td>Euro Commercial paper</td>
<td>3,108</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>415</td>
</tr>
<tr>
<td>Bilateral loans</td>
<td>4,033</td>
</tr>
<tr>
<td>Syndicated loans</td>
<td>3,669</td>
</tr>
<tr>
<td>Certificate of Deposits</td>
<td>2,297</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44,651</strong></td>
</tr>
</tbody>
</table>

Wholesale funding split as at 31 March 2018

Net lender of **AED 11 billion** in the interbank markets
(As at 31 March 2018)

*Includes AED 3.7 billion of certificate of deposits with central banks

In March 2018, the Bank successfully launched and priced a USD 750 million RegS/144A compliant bond offering, marking the Bank’s first USD public debt issuance since 2015 and first US 144A compliant market issuance since 2009.
## Highlights

- **Cost of risk improved to 0.71% from 0.81% as at 31 December 2017**

- **Net impairment charge of AED 380 million was 2% lower compared to Q1’17**

- **Non-performing loans and provision coverage ratios of 2.2% and 179.7%**

- **Stage 1 and 2 expected credit loss allowances were 2.88% of credit risk weighted assets, above the minimum 1.5% stipulated by the UAE Central Bank**

---

### Non-performing loan ratio

<table>
<thead>
<tr>
<th></th>
<th>Dec'17</th>
<th>March'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>2.1%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

### Non-performing loans

<table>
<thead>
<tr>
<th></th>
<th>Dec'17</th>
<th>March'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>3,692</td>
<td>3,946</td>
</tr>
</tbody>
</table>

### Provision coverage ratio

<table>
<thead>
<tr>
<th></th>
<th>Dec'17</th>
<th>March'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 3 (Individual impairment)</td>
<td>85.9%</td>
<td>77.0%</td>
</tr>
<tr>
<td>Stage 1 and 2 (Collective impairment)</td>
<td>117.8%</td>
<td>61.9%</td>
</tr>
</tbody>
</table>

### Impairment allowances*

<table>
<thead>
<tr>
<th></th>
<th>Dec'17</th>
<th>March'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>2,862</td>
<td>3,172</td>
</tr>
</tbody>
</table>

---

*Includes impairment allowances to banks

---

Cost of risk: Total provisions including investments/average loans & advances and investments

---

**Successful transition to IFRS 9 accounting standard**
Robust capital ratios and comfortable liquidity levels

**Highlights**

- Capital adequacy ratio of 17.48% and common equity tier 1 (CET1) ratio of 12.37% remained well above the UAE Central Bank minimum capital requirements of 12.75% and 9.25% (including buffers), post dividend pay-out of AED 2.2 billion and IFRS 9 adjustment of AED 1.36 billion.

- Liquidity coverage ratio (LCR) of 141% compared to a minimum ratio of 90% prescribed by the UAE Central Bank.

- Liquidity ratio of 25.6% compared to 24.5% as at 31 December 2017, on account of AED 6.3 billion increase in deposits and balances due from banks.

**Risk weighted assets**

<table>
<thead>
<tr>
<th></th>
<th>Dec'17</th>
<th>Mar'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED bn</td>
<td>177</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>

**Capital adequacy ratio**

- **CAR**: 19.09% (Dec'17), 17.48% (Mar'18)
- **Tier I capital ratio**: 15.92% (Dec'17), 14.32% (Mar'18)
- **Common equity tier I ratio (CET I)**: 13.96% (Dec'17), 12.37% (Mar'18)

**Liquidity coverage ratio**

- Dec'17: 135%
- Mar'18: 141%

**Liquidity ratio**

- Dec'17: 24.5%
- Mar'18: 25.6%

---

*Liquid assets include: Cash and balances with Central Banks, Deposits and balances due from banks, Reverse repo placements, Trading securities, and Quoted investment securities*
Income statement metrics
Strong top line growth driven by improved margins and well managed cost of funds

**Highlights (Q1’18 vs. Q1’17)**

- Net interest margin improved to 3.19% from 2.86% in Q1’17, an increase of 33 basis points, mainly on account of:
  - Rising benchmark rates
  - Increased volumes and change in asset mix towards higher yielding assets (reduction in interbank placements and increase in investment securities)
  - Higher interest in suspense reversals

- Cost of funds at 1.59% compared to 1.45% in Q1’17, an increase of 14 bps compared to 54 bps increase in 3M average Eibor and 84 bps increase in 3M average Libor over the same period

- Rising CASA balances continue to support cost of funds

**Net interest income**

- Interest income: 1,631, 1,675, 1,677, 1,718, 1,828
- Interest expense: (759), (784), (781), (829), (843)

**CASA and time deposits (AED billion)**

<table>
<thead>
<tr>
<th></th>
<th>Dec’16</th>
<th>Dec’17</th>
<th>Mar’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASA</td>
<td>155.4</td>
<td>163.1</td>
<td>166.9</td>
</tr>
<tr>
<td></td>
<td>90.5</td>
<td>92.4</td>
<td>94.1</td>
</tr>
<tr>
<td></td>
<td>65.0</td>
<td>70.7</td>
<td>72.7</td>
</tr>
</tbody>
</table>

**Cost of funds**

- Q1’17: 1.59%, Q2’17: 1.54%, Q3’17: 1.54%, Q4’17: 1.62%, Q1’18: 1.91%

**Net interest margin and asset yields**

- Q1’17: 4.20%, Q2’17: 4.25%, Q3’17: 4.27%, Q4’17: 4.39%, Q1’18: 4.66%

- CASA deposits, Time deposits, Total deposits

- Average 3M EIBOR (%), Average 3M LIBOR (%), Cost of funds (%), Yield on interest earning assets (%)

---

Q1’18 Investor presentation
Continued focus on growing non-lending fee income

**Highlights (Q1’18 vs. Q1’17)**

- Gross fees and commission income of AED 507 million was up 2%, on account of higher card related and other fees
- Net fees and commission income declined 6% to AED 350 million, on account of:
  - Higher fees and commission expense, driven by the launch of the new Travel Card and the setup costs related to the new merchant acquiring business
  - Lower volumes as a result of de-risking of the unsecured Consumer loan portfolio
- Trading income declined 21% to AED 131 million, due to lower FX income against a strong prior year, which benefited from opportunistic trades

**Non-interest income**

<table>
<thead>
<tr>
<th></th>
<th>Q1’17</th>
<th>Q2’17</th>
<th>Q3’17</th>
<th>Q4’17</th>
<th>Q1’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>598</td>
<td>434</td>
<td>569</td>
<td>592</td>
<td>526</td>
</tr>
<tr>
<td>- Net fees and commission income</td>
<td>373</td>
<td>381</td>
<td>375</td>
<td>377</td>
<td>350</td>
</tr>
<tr>
<td>- Net trading income</td>
<td>166</td>
<td>82</td>
<td>131</td>
<td>85</td>
<td>131</td>
</tr>
<tr>
<td>- Other operating income*</td>
<td>59</td>
<td>63</td>
<td>130</td>
<td>44</td>
<td>44</td>
</tr>
</tbody>
</table>

*Other income includes revaluation loss of investment properties of AED 34 million

**Gross fees and commission income**

- Q1’17: AED 497 mn
  - AED 200 mn (40%)
  - AED 146 mn (29%)
  - AED 41 mn (9%)
  - AED 46 mn (9%)
- Q1’18: AED 507 mn
  - AED 212 mn (42%)
  - AED 123 mn (24%)
  - AED 65 mn (13%)
  - AED 43 mn (8%)

1 Others include brokerage, fees from accounts related activities and other fees
Disciplined cost management and increased revenues resulting in an improved C:I ratio

**Highlights (Q1’18 vs. Q1’17)**

- Operating income increased 6% to AED 2,354 million and operating expenses increased 4% to AED 770 million, resulting in an improved cost to income ratio of 32.7% compared to 33.2% in Q1’17.

- Increase in operating expenses was mainly account of higher staff costs and ongoing investments in our businesses to accelerate the Bank’s digital transformation.

**Operating income**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Interest Income</th>
<th>Non Interest Income</th>
<th>Total Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'17</td>
<td>73%</td>
<td>27%</td>
<td>2,229 AED mn</td>
</tr>
<tr>
<td>Q2'17</td>
<td>79%</td>
<td>21%</td>
<td>2,109 AED mn</td>
</tr>
<tr>
<td>Q3'17</td>
<td>75%</td>
<td>25%</td>
<td>2,247 AED mn</td>
</tr>
<tr>
<td>Q4'17</td>
<td>74%</td>
<td>26%</td>
<td>2,311 AED mn</td>
</tr>
<tr>
<td>Q1'18</td>
<td>78%</td>
<td>22%</td>
<td>2,354 AED mn</td>
</tr>
</tbody>
</table>

**Operating expenses**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Staff Costs</th>
<th>General Administrative Expenses</th>
<th>Depreciation</th>
<th>Total Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'17</td>
<td>39 AED mn</td>
<td>260 AED mn</td>
<td>441 AED mn</td>
<td>740 AED mn</td>
</tr>
<tr>
<td>Q2'17</td>
<td>40 AED mn</td>
<td>266 AED mn</td>
<td>365 AED mn</td>
<td>671 AED mn</td>
</tr>
<tr>
<td>Q3'17</td>
<td>41 AED mn</td>
<td>253 AED mn</td>
<td>442 AED mn</td>
<td>736 AED mn</td>
</tr>
<tr>
<td>Q4'17</td>
<td>45 AED mn</td>
<td>294 AED mn</td>
<td>461 AED mn</td>
<td>800 AED mn</td>
</tr>
<tr>
<td>Q1'18</td>
<td>43 AED mn</td>
<td>259 AED mn</td>
<td>468 AED mn</td>
<td>770 AED mn</td>
</tr>
</tbody>
</table>

**Cost to income ratio**

- Q1'17: 33.2%
- Q2'17: 31.8%
- Q3'17: 32.8%
- Q4'17: 34.6%
- Q1'18: 32.7%
Strong underlying performance by each business segment

**Percentage contribution to operating income**

- **Q1’17**: AED 2,229 mn
  - Consumer Banking: AED 994 mn (45%)
  - Wholesale Banking: AED 645 mn (29%)
  - Treasury & Investments: AED 1,002 mn (43%)
  - Property Management: AED 507 mn (23%)

- **Q1’18**: AED 2,354 bn
  - Consumer Banking: AED 746 mn (32%)
  - Wholesale Banking: AED 535 mn (23%)
  - Treasury & Investments: AED 538 mn (23%)
  - Property Management: AED 53 mn (3%)

+6% YoY

**Operating profit and impairment allowances by business segment**

- **Consumer Banking**: Operating profit AED 457 mn, impairment allowances AED 291 mn
- **Wholesale Banking**: Operating profit AED 453 mn, impairment allowances AED 337 mn
- **Treasury & Investments**: Operating profit AED 538 mn, impairment allowances AED 59 mn
- **Property Management**: Operating profit AED 479 mn, impairment allowances AED 42 mn

**Highlights (2017 VS. 2016)**

- Operating income for Consumer Banking was AED 1,002 billion and comprised 43% of the Bank’s operating income.
- Operating income for Wholesale Banking was AED 746 million and comprised 32% of the Bank’s operating income, whilst Treasury & Investments operating income of AED 535 million, comprised 23% of the Bank’s operating income.

**Consumer Banking**
- Covers full range of Retail, high net worth individuals and their businesses, Islamic and Private Banking product suite, including Asset Management services and offshore banking.
- Full range of credit and debit cards, including merchant acquiring services and co-branded cards with Etihad Airways and Lulu - one of the largest supermarkets chains in UAE.

**Wholesale Banking**
- Serves SMEs, mid-corporates, large corporations, financial institutions, public enterprises and government institutions.
- Award winning world class cash management services and solutions.
- Strong digital online transaction banking platform.

**Treasury and Investments**
- Manages liquidity and financial market transactions with counterparties including central banks and sovereign wealth funds.
- Covers money market, FX, interest rates, currency, commodity derivatives and asset & liability management.

**Property Management**
- Comprises property management and engineering services through subsidiaries Abu Dhabi Commercial Properties and Abu Dhabi Commercial Engineering Services.
- Management of investment properties and ADCB rental income.
A good quarter with stable key indicators

- YTD Net loans -0.3% and customer deposits +2.3% vs. industry wide net loans +1.05% and deposits +2.2%

- CASA/total customer deposits maintained at 43.6% of total customer deposits (Dec’17: 43.4%)

- CAR of 17.48% and common equity tier 1 (CET1) ratio of 12.37%

- Net profit of AED 1.207 billion, +9% YoY and ROE of 16.8%

- Operating income of AED 2.354 billion, +6% YoY, strong growth in net interest income, +12% YoY, NIM at 3.19%

- Non-interest income of AED 526 million, -12% YoY, mainly on account of lower trading income and net fees and commission income

- Cost to income ratio improved to 32.7% vs. 33.2% in Q1'17

- Cost of risk improved to 0.71% vs. 0.78% in Q1’17
Our journey
Our journey: Strong financial performance, delivering long term value for shareholders

**Book value per share (AED)**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.24</td>
<td>3.23</td>
<td>3.63</td>
<td>3.88</td>
<td>4.31</td>
<td>4.76</td>
<td>5.07</td>
<td>5.47</td>
</tr>
</tbody>
</table>

**Total shareholder return (%)**

<table>
<thead>
<tr>
<th>Period</th>
<th>ADCB</th>
<th>ADX</th>
<th>ADBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Year</td>
<td>183%</td>
<td>115%</td>
<td>104%</td>
</tr>
<tr>
<td>7 Year</td>
<td>339%</td>
<td>126%</td>
<td>161%</td>
</tr>
</tbody>
</table>

Source: Bloomberg: ADCB, ADX: Abu Dhabi Exchange, ADBF: Banking Index As at 31 December 2017

**Basic earnings per share (AED)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.30</td>
<td>0.40</td>
<td>0.45</td>
<td>0.74</td>
<td>0.77</td>
<td>0.77</td>
<td>0.80</td>
<td></td>
</tr>
</tbody>
</table>

**Cost of risk (%)**

<table>
<thead>
<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.61%</td>
<td>1.73%</td>
<td>1.20%</td>
<td>0.90%</td>
<td>0.48%</td>
<td>0.29%</td>
<td>0.83%</td>
<td>0.81%</td>
</tr>
</tbody>
</table>

**Dividend per share (AED)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.20</td>
<td>0.25</td>
<td>0.30</td>
<td>0.40</td>
<td>0.45</td>
<td>0.40</td>
<td>0.42</td>
</tr>
</tbody>
</table>

* Normalised to reflect sale of investment in associate
Our journey: Building on a proven strategy, delivering measured and profitable growth

**Net profit (AED billion)**

- **2010**: 0.391
- **2011**: 1.731
- **2012**: 2.810
- **2013**: 3.620
- **2014**: 4.201
- **2015**: 4.927
- **2016**: 4.157
- **2017**: 4.278

* Normalised to reflect sale of investment in associate

**Operating income (AED billion)**

- **2010**: 5.000
- **2011**: 6.069
- **2012**: 6.595
- **2013**: 7.320
- **2014**: 7.529
- **2015**: 8.260
- **2016**: 8.495
- **2017**: 8.895

**Operating profit (AED billion)**

- **2010**: 3.351
- **2011**: 4.006
- **2012**: 4.526
- **2013**: 4.961
- **2014**: 4.966
- **2015**: 5.434
- **2016**: 5.700
- **2017**: 5.948

**Impairment allowance charge (AED billion)**

- **2010**: 3.287
- **2011**: 2.398
- **2012**: 1.710
- **2013**: 1.334
- **2014**: 0.762
- **2015**: 0.502
- **2016**: 1.521
- **2017**: 1.674
Our journey: Strong deposit gathering franchise, focus on growing CASA deposits

Customer deposits (AED billion)

Total assets (AED billion)

CASA deposits (AED billion)

Net loans and advances* (AED billion)

*In June 2016, loans and advances to banks have been reclassified to “Deposits and balances due from banks, net” to better reflect the underlying nature of the business of the borrowers. Accordingly, net loans in 2015 were reclassified to conform to current period’s presentation.
Our journey: Robust capital position, disciplined cost management

Return on average assets (%)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average assets (ROAA)</td>
<td>0.14%</td>
<td>0.83%</td>
<td>1.37%</td>
<td>1.72%</td>
<td>2.00%</td>
<td>2.22%</td>
<td>1.65%</td>
<td>1.58%</td>
</tr>
</tbody>
</table>

* Normalised to reflect sale of investment in associate

Capital adequacy ratio (%) Basel II

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital adequacy ratio (CAR)</td>
<td>12%</td>
<td>16.65%</td>
<td>22.51%</td>
<td>23.05%</td>
<td>21.21%</td>
<td>21.03%</td>
<td>19.76%</td>
<td>18.92%</td>
</tr>
</tbody>
</table>

Minimum CAR requirement stipulated by UAE Central Bank

Capital generation (AED million)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital generation</td>
<td>138 (243)</td>
<td>3,026 (237)</td>
<td>2,736 (240)</td>
<td>3,365 (240)</td>
<td>4,050 (186)</td>
<td>4,924 (129)</td>
<td>4,149 (138)</td>
<td>4,278 (156)</td>
</tr>
<tr>
<td>Share buy back</td>
<td>(70)</td>
<td>(1,118)</td>
<td>(1,398)</td>
<td>(1,797)</td>
<td>(2,079)</td>
<td>(2,339)</td>
<td>(2,079)</td>
<td></td>
</tr>
</tbody>
</table>

Cost to income ratio (%)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to income ratio</td>
<td>30.9%</td>
<td>33.1%</td>
<td>31.4%</td>
<td>32.2%</td>
<td>34.0%</td>
<td>34.2%</td>
<td>32.9%</td>
<td>33.1%</td>
</tr>
</tbody>
</table>

Share buy back, Dividends paid, Capital notes coupon paid, Net profit attributable to equity holders of the Bank
Appendix
Recognised as a regional leader in corporate governance

Adhere to the highest standards of corporate governance, reflecting local and international best practices

Continuously enhance and improve governance principles and framework; emphasising transparency, integrity, accountability and fairness

Governance structure headed by the Board

Number of Board committees and management committees oversee and monitor day to day activities of the Bank

Reporting lines are an important part of governance structure:

- **Group Chief Risk Officer** is independent and reports to the Board Risk & Credit Committee (BRCC)
- **Group Chief Internal Auditor** is independent and reports to the Board Audit & Compliance Committee
- **Group General Counsel and Board Secretary** is independent and has a dual reporting line to the Board and the CEO

In 2013, Sir Gerry Grimstone was appointed as an independent Adviser to Board of Directors – Chairman of Standard Life and Deputy Chairman of Barclays, to bring an independent perspective to the Bank’s governance

Aysha Al Hallami, first woman appointed to the Bank’s Board of Directors in 2013, in line with international practices and the Bank’s efforts to promote greater diversity at Board level

**Corporate governance structure**

- **Board**
  - **Board committees**
    - Audit & Compliance Committee
    - Risk & Credit Committee
    - Corporate Governance Committee
    - Nomination, Compensation & HR Committee

- **Management Committees**
  - Management Executive Committee (MEC)
  - Management Human Resource Committee (MHRC)
  - Liabilities and Initiatives Committee (LICO)
  - Senior Management Committee (SMC)
  - Assets & Liabilities Committee (ALCO)
  - Management Risk & Credit Committee (MRCC)

- **Structure and composition**
  - Board of Directors
    - BACC
    - BRCC
    - Group Chief Executive Officer
    - Group Chief Internal Auditor
    - Group General Counsel and Board Secretary
  - Government Relations Group
  - Human Resources Group
  - Wholesale Banking Group
  - Consumer Banking Group
  - Treasury & Investments Group
  - Group Business Services
  - Group Finance
  - Risk Group
Effective risk management is fundamental to our core strategy

Our risk appetite is approved by the Board

<table>
<thead>
<tr>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit Risk</strong></td>
</tr>
<tr>
<td>▶ Monitor concentrations on a continuous basis by customer group, industry, geography and by credit profile</td>
</tr>
<tr>
<td>▶ Our discipline credit process resulted in:</td>
</tr>
<tr>
<td>- NPL and provision coverage ratios were 2.2% and 179.7% respectively as at 31 March 2018</td>
</tr>
<tr>
<td>- In 2017, the 20 largest customer exposures constituted 34.85% of gross loans compared to 35.38% in 2016</td>
</tr>
</tbody>
</table>

**Liquidity and Funding Risk**

- Manage LCR at levels higher than mandated by the Basel Committee
- As at 31 March 2018, LCR was 141% compared to UAE CB minimum requirement of 90% (2017 LCR: 135% compared to UAE CB requirement of 80%, 2016 LCR: 129% compared to UAE CB requirement of 70%)
- Funding remains diversified, raised through both retail and wholesale operations. Strive to maintain a large portion of funding as sticky deposits
- Treasury Department ensures access to diverse sources of funding, including long-term funding such as debt securities and subordinated liabilities

**Capital Risk**

- At 17.48%, capital adequacy ratio remains strong and above UAE Central Bank hurdle rate
- Manage capital adequacy and the use of regulatory capital on a regular basis, employing techniques based on the guidelines developed by the Basel Committee and the CB of the UAE

**Regulatory Risk**

- Regulatory compliance is closely monitored by the Risk and Audit areas, under the oversight of Board-level committees
- No material incidents of regulatory non-compliance
### Awards

#### Q1’18 Awards

<table>
<thead>
<tr>
<th>Category</th>
<th>Award</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Best Cash Management Bank in the Middle East”</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>“Best Cash Management Bank in the U.A.E”</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>“Best affinity Card in Middle East &amp; North Africa”</td>
<td>MasterCard Leadership Forum</td>
<td></td>
</tr>
<tr>
<td>Ranked the 2nd in S&amp;P/Hawkamah ESG Pan Arab Index for leadership in corporate sustainability</td>
<td>Hawkamah</td>
<td></td>
</tr>
</tbody>
</table>

#### 2017 Awards

<table>
<thead>
<tr>
<th>Category</th>
<th>Award</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Best Business Change or Transformation – Delivery of a Great Customer Experience Through Change”</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>for Operational Excellence Framework ‘SIMPLean’</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>“Best Trade Finance Bank in the U.A.E”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“Five Star Cash Manager”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“Innovative Approach to Emiratisation to Deliver Exceptional Customer Experience”</td>
<td>Tamooha</td>
<td></td>
</tr>
<tr>
<td>“Best Contact Centre in the Region” for Contact Centre</td>
<td>Gulf Customer Experience Awards</td>
<td></td>
</tr>
<tr>
<td>“Best Supply Chain Finance Bank in the Middle East”</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>“Five Star Trade Finance provider in Middle East”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“Best Employee Engagement in Financial Services” for the Human Resources Team</td>
<td>Gulf Customer Experience Awards</td>
<td></td>
</tr>
<tr>
<td>“Best Insight and Feedback – Listening to Customers to Create an Impact”</td>
<td>Global Finance</td>
<td></td>
</tr>
<tr>
<td>for Customer Experience and Research</td>
<td>Asian Banking &amp; Finance</td>
<td></td>
</tr>
<tr>
<td>“UAE Domestic Trade Finance Bank of the Year Award”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“Best Bank for Transaction Services in the Middle East”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“3G CSR Award” in recognition of excellence in transparency, good governance and social responsibility</td>
<td>The Global Good Governance Awards (3G Awards)</td>
<td></td>
</tr>
<tr>
<td>“Mohammed Bin Rashid Al Maktoum Business Innovation Award”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“The Mohammed Bin Rashid Al Maktoum Business Innovation Awards”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“The Best Annual Report Category in the Middle East”</td>
<td>The 9th Middle East Investor Relations Association (MEIRA) Awards</td>
<td></td>
</tr>
<tr>
<td>“Debt Capital Markets in UAE” - Real Estate Survey 2017</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“APCP- Best Property Management Team - UAE 2017”</td>
<td>The Capital Finance International (CFI)</td>
<td></td>
</tr>
<tr>
<td>“Islamic Banker of the Year 2017 Award”</td>
<td>Global Islamic Finance Awards (GIFA)</td>
<td></td>
</tr>
<tr>
<td>“(Market Leader) in 2017” - Cash management</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“Best Trade Bank in the Middle East”</td>
<td>Euromoney</td>
<td></td>
</tr>
<tr>
<td>“The Institute for Corporate Governance”</td>
<td>Hawkamah</td>
<td></td>
</tr>
<tr>
<td>“Women in Leadership Achievement Award” under the category of best DNI (Diversity and Inclusion Initiative) for its Tamooha</td>
<td>The 19th Global Women in Leadership Economic Forum</td>
<td></td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th>Description</th>
<th>March’18</th>
<th>Dec’17</th>
<th>Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks, net</td>
<td>18,739</td>
<td>19,997</td>
<td>(6)</td>
</tr>
<tr>
<td>Deposits and balances due from banks, net¹</td>
<td>17,769</td>
<td>11,452</td>
<td>55</td>
</tr>
<tr>
<td>Reverse-repo placements, net</td>
<td>123</td>
<td>99</td>
<td>25</td>
</tr>
<tr>
<td>Investment securities²</td>
<td>48,080</td>
<td>49,677</td>
<td>(3)</td>
</tr>
<tr>
<td>Loans and advances to customers, net</td>
<td>162,824</td>
<td>163,282</td>
<td>0</td>
</tr>
<tr>
<td>Other assets³</td>
<td>19,115</td>
<td>20,496</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>266,649</strong></td>
<td><strong>265,003</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>Due to banks</td>
<td>4,703</td>
<td>5,177</td>
<td>(9)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>166,881</td>
<td>163,078</td>
<td>2</td>
</tr>
<tr>
<td>Euro commercial paper</td>
<td>3,108</td>
<td>2,910</td>
<td>7</td>
</tr>
<tr>
<td>Borrowings</td>
<td>41,542</td>
<td>40,555</td>
<td>2</td>
</tr>
<tr>
<td>Other liabilities⁴</td>
<td>20,703</td>
<td>20,838</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>236,937</strong></td>
<td><strong>232,558</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td>Total equity</td>
<td>29,712</td>
<td>32,445</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>266,649</strong></td>
<td><strong>265,003</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

1 Deposits and balances due from banks include AED 5.9 bn as at March 31, 2018 (AED 5.1 bn as at December 31, 2017) of loans to banks that were earlier reported under loans and advances to customers, net
2 Includes trading securities
3 Other assets include derivative financial instruments, investment in associate, investment properties, property and equipment (net), intangible assets
4 Other liabilities include derivative financial instruments

Numbers may not add up due to rounding
## Income statement

<table>
<thead>
<tr>
<th>AED million</th>
<th>March’18</th>
<th>March’17</th>
<th>Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income and income from Islamic financing</td>
<td>2,671</td>
<td>2,390</td>
<td>12</td>
</tr>
<tr>
<td>Interest expense and profit distribution</td>
<td>(843)</td>
<td>(759)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Net interest and Islamic financing income</strong></td>
<td><strong>1,828</strong></td>
<td><strong>1,631</strong></td>
<td><strong>12</strong></td>
</tr>
<tr>
<td>Net fees and commission income</td>
<td>350</td>
<td>373</td>
<td>(6)</td>
</tr>
<tr>
<td>Net trading income</td>
<td>131</td>
<td>166</td>
<td>(21)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>45</td>
<td>59</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>Non interest income</strong></td>
<td><strong>526</strong></td>
<td><strong>598</strong></td>
<td><strong>(12)</strong></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td><strong>2,354</strong></td>
<td><strong>2,229</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Staff expenses</td>
<td>(468)</td>
<td>(441)</td>
<td>6</td>
</tr>
<tr>
<td>General administrative expenses</td>
<td>(259)</td>
<td>(260)</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(43)</td>
<td>(39)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td><strong>(770)</strong></td>
<td><strong>(740)</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>Operating profit before impairment allowances &amp; taxation</strong></td>
<td><strong>1,584</strong></td>
<td><strong>1,489</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Impairment allowances</td>
<td>(380)</td>
<td>(386)</td>
<td>(2)</td>
</tr>
<tr>
<td>Share in profit of associate</td>
<td>3</td>
<td>3</td>
<td>NM</td>
</tr>
<tr>
<td>Overseas income tax expense</td>
<td>0</td>
<td>(1)</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>1,207</strong></td>
<td><strong>1,105</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

**Attributed to:**

<table>
<thead>
<tr>
<th></th>
<th>Equity holders of the Bank</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Profit</strong></td>
<td><strong>1,207</strong></td>
<td><strong>1,105</strong></td>
</tr>
</tbody>
</table>

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Leading Through

AMBITION + DISCIPLINE

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